

Agenda Date: March 26, 2009
Item Number: A2

Docket: UG-090315
Company: Puget Sound Energy

Staff: Deborah Reynolds, Regulatory Analyst
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Recommendation

Take no action, thereby allowing the proposed rates to become effective April 1, 2009, by operation of law.

Background

On February 27, 2009, Puget Sound Energy (PSE or company) filed revisions to its Natural Gas Conservation Service Tracker, Supplemental Schedule 120. The purpose of the filing is to implement changes to rates under the conservation tracker mechanism. This mechanism was established as part of the settlement agreement approved by the Washington Utilities and Transportation Commission (commission) in Dockets UE-011570 and UG-011571.¹

Discussion

During the calendar year 2008, PSE spent \$12,339,864 on natural gas energy efficiency programs. The 2009 projected expenditures for natural gas energy efficiency programs are \$16,053,000. The projected expenditures were reviewed by PSE's Conservation Resource Advisory Group (CRAG) in January 2009.² The company based this larger projection on the increase in its energy efficiency targets from its 2007 Integrated Resource Plan (IRP).³ Commission staff participated in the development of the energy efficiency targets through the IRP process.

This filing revises the natural gas tracker charges upward to recover PSE's 2008 expenditures as shown in the following table.

Service	Schedule	Current Rate per Therm	Proposed Rate per Therm
Residential Service	Schedules 23, 53	\$0.00881	\$0.01447
Commercial Service	Schedules 31, 36, 41, 51	\$0.00881	\$0.01447
Interruptible Sales Service	Schedules 85, 86, 87	\$0.00823	\$0.01378
Gas Lighting Services	Schedule 16	\$0.15/mantle	\$0.25/mantle

¹ Twelfth Supplemental Order, UE-011570 and UG-011571 (consolidated), Exhibit F to Settlement Attachment. See also Docket UG-950288 for details on deferral.

² See UE-072235 and UG-072236.

³ PSE's Integrated Resource Plan established new energy efficiency targets for the incentive program and the basis for the avoided costs used to evaluate the effectiveness of the energy efficiency programs. See UE-071063.

The filed rates include \$12,339,864 in energy efficiency program expenditures, \$614,239 in interest on deferred balances,⁴ a revenue-sensitive adjustment of \$576,375, and an adjustment for PSE's previous net over-collection of \$185,486. The proposed natural gas tariff tracker reflects a 0.4 percent increase in the company's natural gas revenues, increasing the average bill for a natural gas residential customer using 65 therms per month by \$0.37.

Conclusion

Take no action, thereby allowing the proposed rates to become effective April 1, 2009, by operation of law.

⁴ Docket UG-950288 allows the company to apply its authorized rate of return to its conservation deferred balance.